AMENDED IN ASSEMBLY APRIL 28, 2003

CALIFORNIA LEGISLATURE—2003-04 REGULAR SESSION

ASSEMBLY BILL

No. 1197

Introduced by Assembly Member Wiggins (Coauthors: Assembly Members Goldberg, Kehoe, and Montanez)

February 21, 2003

An act to add Article 14 (commencing with Section 32440) to Chapter 3 of Part 19 of the Education Code, relating to public schools. An act to amend Sections 82019, 87200, 87500, and 89503 of the Government Code, and to amend Section 44242.5 of the Education Code, relating to conflicts of interest.

LEGISLATIVE COUNSEL'S DIGEST

AB 1197, as amended, Wiggins. Public schools: gift prohibition Political Reform Act of 1974: conflicts of interest.

The Political Reform Act of 1974 requires each state or local government agency to adopt a conflict of interest code, pursuant to which each designated employee of the agency, as defined, shall file statements of economic interest disclosing his or her financial interests, as specified.

This bill would further define a "designated employee" as including any person employed in a public school district or county office of education in a position requiring a specified administrative credential, and any person having governance or management responsibility in a charter school.

Existing provisions of the act require public officials of state and local agencies, as specified, to file periodic statements of economic interest disclosing financial interests, as specified.

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This bill would include within this requirement public school district or county office of education board members, superintendents, chief business officers, and those holding comparable positions in charter schools.

Existing provisions of the act require state and local public officials to file one original and one copy of their statements of economic interest with their designated filing agency, as specified.

This bill would require board members, superintendents, and chief business officers of public school districts or county offices of education, and designated employees of public school districts, county offices of education, and charter schools to file one original or one copy, as appropriate, with their county's county board of education.

Existing provisions of the act prohibit elected officers of a state or local government agency, or other officers named in a specified section of law, from accepting gifts from any single source in a calendar year with a total value of more than \$250.

This bill, notwithstanding this provision, would prohibit a school official from receiving a gift from a person, or any agent of that person, if the school official knows or has reason to know that the person has had a contract in the past, has submitted or intends to submit an offer or bid on a contract, or is currently under contract, with the public school district, county office of education, or charter school for which the school official has filing responsibilities under a specified section of law or as a designated employee.

Existing law empowers a Committee of Credentials to investigate allegations of acts or omissions for which an applicant or a holder of a teaching credential may be subject to adverse action. It empowers such a committee to commence an initial review upon receipt of specified documents or records.

This bill would permit the committee to commence an initial review whenever the holder of any credential issued by the State Board of Education or the Commission on Teacher Credentialing has been penalized for violation of the conflict of interest disclosure requirements imposed by this bill.

Existing law makes a violation of the act subject to administrative, civil, and criminal penalties.

This bill would impose a state-mandated local program by imposing these penalties on persons who violate the provisions of this bill.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state.

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Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes with a $\frac{2}{3}$ vote of each house and compliance with specified procedural requirements.

This bill, which would declare that it furthers the purposes of the Political Reform Act of 1974, would therefore require a $\frac{2}{3}$ vote.

Existing law, the Political Reform Act of 1974, prohibits an elected state officer, elected officer of a local government agency, and other specified public officers from accepting gifts from any single source in any calendar year with a total value of more than \$250.

This bill would prohibit a public school employee or an appointed or elected school official, as defined, or a member of his or her immediate family from accepting or receiving any gift, money, gratuity, in-kind service, or other personal or professional benefit, indirect or direct, from an individual, vendor, company, corporation, or other entity seeking the sale, adoption, or recommendation of goods or services for use by a public school or a government entity that administers a public school. The bill would also prohibit an individual, vendor, company, corporation, or other entity from making or giving that gift, money, gratuity, in-kind service, or other personal or professional benefit. The bill would make the violation of the bill's prohibitions a misdemeanor and would prescribe penalties, including a fine of not less than \$5,000, revocation of a teaching or services credential, if any, and removal from office, as provided. By creating new crimes, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

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The people of the State of California do enact as follows:

SECTION 1. Article 14 (commencing with Section 32440) is 1 SECTION 1. Section 82019 of the Government Code is 2 3 amended to read:

82019. (a) "Designated employee" means any an officer, employee, member, or consultant of any agency whose position with the agency is any of the following:

(a)

- (1) Is exempt from the state civil service system by virtue of subdivision (a), (c), (d), (e), (f), (g), or (m) of Section 4 of Article VII of the Constitution, unless the position is elective or solely secretarial, clerical, or manual.
- 12 (b)

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- (2) Is elective, other than an elective state office.
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 - (3) Is designated in a Conflict of Interest Code because the position entails the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest.

(d)

- (4) Is involved as a state employee at other than a clerical or 21 ministerial level in the functions of negotiating or signing any contract awarded through competitive bidding, in making decisions in conjunction with the competitive bidding process, or in negotiating, signing, or making decisions on contracts executed pursuant to Section 10122 of the Public Contract Code.
 - "Designated employee" does not include an elected state officer, any unsalaried member of any board or commission which serves a solely advisory function, any public official specified in Section 87200, and also does not include any unsalaried member of a nonregulatory committee, section, commission, or other such entity of the State Bar of California.
 - (b) Notwithstanding subdivision (a), "designated employee" also includes any person employed in a public school district or county office of education in a position requiring an administrative credential as described in Section 44270.1 of the Education Code, and any person having governance or management responsibility in a charter school.

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1 SEC. 2. Section 87200 of the Government Code is amended to 2 read:

3 87200. This article is applicable to elected state officers, judges and commissioners of courts of the judicial branch of government, members of the Public Utilities Commission, 5 members of the State Energy Resources Conservation and 6 Development Commission, members of the Fair Political Practices Commission, members of the California Coastal 9 Commission, members of planning commissions, members of the 10 board of supervisors, district attorneys, county counsels, county treasurers, and chief administrative officers of counties, mayors, city managers, city attorneys, city treasurers, chief administrative 12 13 officers and members of city councils of cities, public school 14 district or county office of education board members, superintendents, chief business officers, and those holding 15 comparable positions in charter schools, and other public officials 16 17 who manage public investments, and to candidates for any of these 18 offices at any election.

SEC. 3. Section 87500 of the Government Code is amended to read:

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39 40 87500. Statements of economic interests required by this chapter shall be filed as follows:

- (a) Statewide elected officer—one original with the agency which shall make and retain a copy and forward a copy to the Secretary of State and the original to the commission, which shall retain the original and send one copy to the Registrar-Recorder of Los Angeles County and one copy to the Clerk of the City and County of San Francisco. The commission shall be the filing officer.
- (b) Candidates for statewide elective office—one original and one copy with the person with whom the candidate's declaration of candidacy is filed, who shall forward the copy to the Secretary of State and the original to the commission which shall retain the original and send one copy to the Registrar-Recorder of Los Angeles County and one copy to the Clerk of the City and County of San Francisco. The commission shall be the filing officer.
- (c) Members of the Legislature and Board of Equalization—one original with the agency which shall make and retain a copy and forward a copy to the Secretary of State and the original to the commission, which shall retain the original and send

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one copy to the clerk of the county which contains the largest percentage of registered voters in the election district which the officeholder represents, and one copy to the clerk of the county in which the officeholder resides. No more than one copy of each statement need be filed with the clerk of any one county. The commission shall be the filing officer.

- (d) Candidates for the Legislature or the Board of Equalization—one original and one copy with the person with whom the candidate's declaration of candidacy is filed, who shall forward the copy to the Secretary of State and the original to the commission which shall retain the original and send one copy to the clerk of the county which contains the largest percentage of registered voters in the election district in which the candidate seeks nomination or election, and one copy to the clerk of the county in which the candidate resides. No more than one copy of each statement need be filed with the clerk of any one county. The commission shall be the filing officer.
- (e) Persons holding the office of chief administrative officer and candidates for and persons holding the office of district attorney, county counsel, county treasurer, and member of the board of supervisors—one original with the county clerk who shall make and retain a copy and forward the original to the commission which shall be the filing officer.
- (f) Persons holding the office of city manager or, if there is no city manager, the chief administrative officer, the city treasurer, and candidates for and persons holding the office of city council member, city attorney, and mayor—one original with the city clerk who shall make and retain a copy and forward the original to the commission which shall be the filing officer.
- (g) Members of the Public Utilities Commission, members of the State Energy Resources Conservation and Development Commission, planning commissioners, and members of the California Coastal Commission—one original with the agency which shall make and retain a copy and forward the original to the commission which shall be the filing officer.
- (h) Members of the Fair Political Practices Commission—one original with the commission which shall make and retain a copy and forward the original to the office of the Attorney General which shall be the filing officer.

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(i) Judges, court commissioners, and candidates for the office of judge—one original with the clerk of the court who shall make and retain a copy and forward the original to the commission which shall be the filing officer.

- (j) Except as provided for in subdivision (k), heads of agencies, members of boards or commissions not under a department of state government or members of boards or commissions not under the jurisdiction of a local legislative body—one original with the agency, which shall make and retain a copy and forward the original to the code reviewing body which shall be the filing officer. In its discretion, the code reviewing body may provide that the original be filed directly with the code reviewing body and that no copy be retained by the agency.
- (k) Heads of local government agencies and members of local government boards or commissions, for which the Fair Political Practices Commission is the code reviewing body, one original to the agency or board or commission which shall be the filing officer, unless at its discretion the Fair Political Practices Commission elects to act as the filing officer. In this instance, the original shall be filed with the agency, board, or commission, which shall make and retain a copy and forward the original to the Fair Political Practices Commission.
- (*l*) Designated employees of the Legislature—one original with the house of the Legislature by which the designated employee is employed. In its discretion, each house of the Legislature may provide that the originals of statements filed by its designated employees be filed directly with the commission, and that no copies be retained by that house.
- (m) Designated employees under contract to more than one joint powers insurance agency and who elect to file a multiagency statement pursuant to Section 87350, the original of the statement with the commission which shall be the filing officer, and a statement with each agency with which they are under contract, declaring that their statement of economic interests is on file with the commission and available upon request.
- (n) Members of a state licensing or regulatory board, bureau, or commission—one original with the agency, which shall make and retain a copy and forward the original to the commission, which shall be the filing officer.

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(o) Persons not mentioned above—one original with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.

(p) Board members, superintendents, and chief business officers of public school districts or county offices of education, and designated employees of public school districts, county offices of education, and charter schools, to the extent not otherwise required by this section, one original or one copy, as appropriate, with their county's county board of education. This filing requirement shall be in addition to any other filing requirements set forth in this section for the officials listed in this subdivision.

- SEC. 4. Section 89503 of the Government Code is amended to read:
- 89503. (a) No elected state officer, elected officer of a local government agency, or other individual specified in Section 87200 shall accept gifts from any single source in any calendar year with a total value of more than two hundred fifty dollars (\$250).
- (b) (1) No candidate for elective state office, for judicial office, or for elective office in a local government agency shall accept gifts from any single source in any calendar year with a total value of more than two hundred fifty dollars (\$250). A person shall be deemed a candidate for purposes of this subdivision when the person has filed a statement of organization as a committee for election to a state or local office, a declaration of intent, or a declaration of candidacy, whichever occurs first. A person shall not be deemed a candidate for purposes of this subdivision after he or she is sworn into the elective office, or, if the person lost the election, after the person has terminated his or her campaign statement filing obligations for that office pursuant to Section 84214 or after certification of the election results, whichever is earlier.
- (2) Paragraph (1) shall not apply to any person who is a candidate as described in paragraph (1) for judicial office on or before December 31, 1996.
- (c) No member of a state board or commission or designated employee of a state or local government agency shall accept gifts from any single source in any calendar year with a total value of more than two hundred fifty dollars (\$250) if the member or

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employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.

- (d) This section shall not apply to a person in his or her capacity as judge. This section shall not apply to a person in his or her capacity as a part-time member of the governing board of any public institution of higher education unless that position is an elective office.
 - (e) This section shall not prohibit or limit the following:
- (1) Payments, advances, or reimbursements for travel and related lodging and subsistence permitted by Section 89506.
- (2) Wedding gifts and gifts exchanged between individuals on birthdays, holidays, and other similar occasions, provided that the gifts exchanged are not substantially disproportionate in value.
- (f) Beginning on January 1, 1993, the commission shall adjust the gift limitation in this section on January 1 of each odd-numbered year to reflect changes in the Consumer Price Index, rounded to the nearest ten dollars (\$10).
- (g) The limitations in this section are in addition to the limitations on gifts in Section 86203.
- (h) Notwithstanding any other provision of this section, no school official shall receive a gift from a person, or any agent of that person, if the school official knows or has reason to know that the person as had a contract in the past, has submitted or intends to submit an offer or bid on a contract, or is currently under contract, with the public school district, county office of education, or charter school for which the school official has filing responsibilities under either Section 87200 or as a designated employee.
- (1) For the purposes of this subdivision, the term "school official" means a board member, superintendent, or chief business officer of a public school district or county office of education and a designated employee of a public school district, county office of education, or charter school.
- (2) For the purposes of this subdivision, the term "person" means that term as defined in Section 82047.
- (3) For the purposes of this subdivision, the term "designated employee" means that term as defined in Section 82019.
- 38 SEC. 5. Section 44242.5 of the Education Code is amended to read:

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44242.5. (a) Each allegation of an act or omission by an applicant for, or holder of, a credential for which he or she may be subject to an adverse action shall be presented to the Committee of Credentials.

- (b) The committee has jurisdiction to commence an initial review upon receipt of any of the following:
- (1) (A) Official records of the Department of Justice, of any law enforcement agency, of any state or federal court, and of any other agency of this state or another state.
- (B) For purposes of paragraph (A), "agency of this state" has the same meaning as that of "state agency" as set forth in Section 11000 of the Government Code.
- (2) An affidavit or declaration signed by person or persons with personal knowledge of the acts alleged to constitute misconduct.
- (3) (A) A statement from an employer notifying the commission that, as a result of, or while an allegation of misconduct is pending, a credential holder has been dismissed, nonreelected, suspended for more than 10 days, or placed pursuant to a final adverse employment action on unpaid administrative leave for more than 10 days, or has resigned or otherwise left employment.
- (B) The employer shall provide the notice described in subparagraph (A) to the commission not later than 30 days after the dismissal, nonreelection, suspension, placement on unpaid administrative leave, resignation, or departure from employment of the employee.
- (4) A notice from an employer that a complaint was filed with the school district alleging sexual misconduct by a credential holder. Results of an investigation by the committee based on this paragraph shall not be considered for action by the committee unless there is evidence presented to the committee in the form of a written or oral declaration under penalty of perjury that confirms the personal knowledge of the declarant regarding the acts alleged to constitute misconduct.
- (5) A notice from a school district, employer, public agency, or testing administrator of a violation of Section 44420, 44421.1, 44421.5, or 44439.
- (6) (A) An affirmative response on any application submitted to the commission as to any conviction, adverse action on, or denial of, any license, or pending investigation into any criminal

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allegation or pending investigation of any noncriminal allegation of misconduct by a governmental licensing entity.

- (7) Whenever the holder of any credential issued by the State Board of Education or the Commission on Teacher Credentialing has been penalized, other than solely for late filing of a required report, for violation of Article 1 (commencing with Section 87100), Article 2 (commencing with Section 87200), or Article 3 (commencing with Section 89300) of Chapter 7, or of Article 1 (commencing with Section 89500) of Chapter 9.5, of Title 9 of the Government Code.
 - (B) Failure to disclose any matter set forth in subparagraph (A).
- (c) An initial review commences on the date that the written notice is mailed to the applicant or credential holder that his or her fitness to hold a credential is under review. Upon commencement of a formal review pursuant to Section 44244, the committee shall investigate all alleged misconduct and the circumstances in mitigation and aggravation. The investigation shall include, but not be limited to, all of the following:
- (1) Investigation of the fitness and competence of the applicant or credential holder to perform the duties authorized by the credential for which he or she has applied or that he or she presently holds.
- (2) Preparation of a summary of the applicable law, a summary of the facts, contested and uncontested, and a summary of any circumstances in aggravation or mitigation of the allegation.
- (3) Determination of probable cause for an adverse action on the credential. If the allegation is for unprofessional or immoral conduct, the committee shall, in any formal review conducted pursuant to Section 44244 to determine probable cause, permit the employer of the credential holder to be present while testimony is taken. If the allegation of unprofessional or immoral conduct involves sexual abuse, the employer shall be examined in the meeting for any relevant evidence relating to the sexual abuse.
- (A) If the committee determines that probable cause for an adverse action does not exist, the committee shall terminate the investigation.
- (B) If the committee determines that probable cause for an adverse action on the credential exists, upon receipt of a request from an applicant or a credential holder pursuant to Section 44244.1, the commission shall initiate an adjudicatory hearing, as

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prescribed by Chapter 5 (commencing with Section 11500) of Division 3 of Title 2 of the Government Code, by filing an accusation or statement of issues.

- (d) The committee has jurisdiction to commence a formal review pursuant to Section 44244 upon receipt of any of the following:
- (1) (A) Official records of any state or federal court that reflect a conviction or plea, including a plea of nolo contendere, to any criminal offense or official records of any state court that adjudge a juvenile to be a dependent of the court pursuant to Section 300 of the Welfare and Institutions Code due to allegations of sexual misconduct or physical abuse by a credential holder or applicant.
- (B) Nothing in paragraph (A) shall be construed to relieve the commission from the confidentiality provisions, notice, and due process requirements set forth in Section 827 of the Welfare and Institutions Code.
- (2) An affidavit or declaration signed by a person or persons with personal knowledge of the acts alleged to constitute misconduct.
 - (3) A statement described in paragraph (3) of subdivision (b).
- (4) Official records of any governmental licensing entity that reflect an administrative proceeding or investigation, otherwise authorized by law or regulation, which has become final.
 - (5) A notice described in paragraph (5) of subdivision (b).
- (6) A response or failure to disclose, as described in paragraph (6) of subdivision (b).
- (e) (1) Upon completion of its investigation, the committee shall report its actions and recommendations to the commission, including its findings as to probable cause, and if probable cause exists, its recommendations as to the appropriate adverse action.
- (2) The findings shall be available, upon its request, to the employing or last known employing school district, or, where adverse action is recommended by the committee and a request is made within one year from the date the committee makes a recommendation, to a school district providing verification that the credential holder has applied for employment in the district. The findings shall, for all purposes, remain confidential and
- 37 limited to school district personnel in a direct supervisory capacity
- in relation to the person investigated. Any person who otherwise
- 40 releases findings received from the committee or the commission,

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absent a verified release signed by the person who is the subject of the investigation, shall be guilty of a misdemeanor.

- (3) The findings shall not contain any information that reveals the identity of persons other than the person who is the subject of the investigation.
- (f) (1) Except as provided in paragraph (2) and, notwithstanding subdivision (b), for purposes of determining whether jurisdiction exists under subdivision (b), the commission may, in accordance with Section 44341, make inquiries and requests for production of information and records only from the Department of Justice, any law enforcement agency, any state or federal court, and any licensing agency of this state or any licensing agency of another state.
- (2) For purposes of determining whether jurisdiction exists, paragraph (1) does not apply to release of personnel records.
- SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.
- SEC. 7. The Legislature finds and declares that the provisions of this act further the purposes of the Political Reform Act of 1974 within the meaning of subdivision (a) of Section 81012 of the Government Code.
- added to Chapter 3 of Part 19 of the Education Code, to read:
- 32440. (a) A public school employee or an appointed or elected school official, or any member of his or her immediate family, may not accept or receive any gift, money, gratuity, in-kind service, or other personal or professional benefit, indirect or direct, from an individual, vendor, company, corporation, or other entity seeking the sale, adoption, or recommendation of goods or services for use by a public school or a government entity that administers a public school.
- (b) A person who violates this section is guilty of a misdemeanor and shall be fined an amount not more than five thousand dollars (\$5,000). In addition, the person shall have his or

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 her teaching or services credential, if any, revoked by the State Department of Education and, if the person is an appointed or elected school official, the person shall be removed from office.

32441. (a) An individual, vendor, company, corporation, or other entity seeking the sale, adoption, or recommendation of goods or services for use by a public school or a government entity that administers a public school, may not make or give, either directly or indirectly, any gift, money, gratuity, in-kind service, or other benefit to a public school employee or an appointed or elected school official, or a member of his or her immediate family.

- (b) An individual, vendor, company, corporation, or other entity that violates this section is guilty of a misdemeanor and shall be fined an amount not less than five thousand dollars (\$5,000).
- 32442. For purposes of this article, an "appointed or elected school official" includes the Superintendent of Public Instruction, a person appointed or elected to the State Board of Education, the State Department of Education, the State Allocation Board, the Commission on Teacher Credentialing, or any advisory committee appointed by those entities, or an appointed or elected official of a school district, county office of education, or charter school.
- 32443. Notwithstanding Sections 32440 and 32441, nothing in this article prohibits a contribution to a person made in compliance with the Political Reform Act of 1974 (Title 9 (commencing with Section 81000) of the Government Code).
- SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.